



USAID
FROM THE AMERICAN PEOPLE

AFGHANISTAN

Alternative Development

April 2007



PHOTO: USAID/AFGHANISTAN

PROGRESS TO DATE

- 2,800 hectares of fruit orchards rehabilitated
- Afghan fruit and produce exported to Dubai, India, Pakistan, and the Ukraine
- Over \$32 million paid in cash-for-work salaries to rebuild vital rural infrastructure
- Nearly 6,800 km of irrigation and drainage structures rehabilitated, improving irrigation for more than 235,000 hectares of farmland
- Over 800,000 farmers in eastern, southern and northern Afghanistan have received seed and fertilizer
- Nearly 100,000 farmers trained in improved agricultural techniques
- Over 5,500 given business skills training

BACKGROUND

Afghanistan's opium poppy production supplies more than 90 percent of the world's illegal opiates and constitutes an estimated one-third of the country's Gross Domestic Product (GDP). There is widespread consensus both within Afghanistan and the international community that opium cultivation and trafficking is destabilizing Afghanistan by strengthening non-state actors, fueling corruption, and distorting economic activity.

To assist Afghan and international counter-narcotics efforts, the U.S. Government formulated a comprehensive strategy to reduce and deter opium poppy cultivation. The U.S. strategy focuses on public information, eradication, interdiction, law enforcement and judicial reform, and alternative livelihoods programs.

The Alternative Livelihoods Program is supporting licit economic growth by strengthening Afghanistan's agricultural sector and providing farmers with sustainable alternatives to opium poppy cultivation. Given that an estimated 70 percent of Afghanistan's population is economically dependent on agriculture, the Alternative Livelihoods Program is also building the foundation for sustained economic growth and poverty reduction in the country.

PROGRAM OVERVIEW

In December 2004, USAID launched the Alternative Livelihoods Program (ALP) to accelerate economic growth in Afghanistan's principal poppy-producing provinces. The program targets Afghanistan's core poppy-producing areas in the southern provinces of Helmand, Kandahar, and Uruzgan, the eastern provinces of Nangarhar, Laghman, Nuristan, and Kunar, and the northern provinces of Badakhshan and Takhar. Assistance is also provided to other provinces where there is no or very little poppy cultivation as an incentive to local leaders to continue to prevent cultivation.

COMPREHENSIVE DEVELOPMENT

From 2002 to 2006, licit economic growth averaged 12 percent per year in Afghanistan, while the export value of opium stagnated, leading to a reduction in opium export's share of GDP from 60 to 30 percent. As the licit economy continues to grow, Afghanistan's economic dependence on opium poppy cultivation will decline.

To accelerate sustainable economic development in the regions most dependent on opium poppy production, ALP is providing a comprehensive package of assistance including agricultural input provision and training, rural infrastructure rehabilitation, business financing and capacity building, and technical assistance to both producer associations and individual businesses to improve post-production handling, storage, processing, packaging, and marketing. Both livestock and high-value fruit and nut crops are being supported through the program.



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In addition to public works projects such as irrigation rehabilitation and watershed management, the Alternative Livelihoods program focuses on increasing production of competitive agricultural products, strengthening agricultural extension systems and creating an enabling business environment. PHOTOS: USAID/AFGHANISTAN



USAID has helped over 100,000 farmers to plant, package, sort, and market high value vegetable crops, generating \$17 million in produce sales. To date, more than 800,000 farmers across all of Afghanistan's provinces have benefited from seed and fertilizer distributions. In the eastern provinces of Nangarhar and Laghman, 475,000 high-quality fruit and nut trees have been distributed to over 2,000 farmers, all of whom signed a pledge not to cultivate poppy.

Opening new markets for Afghan agricultural goods is a key part of U.S. efforts to provide economic alternatives to poppy production. In the eastern Afghanistan province of Nangarhar, ALP assisted Afghan farmers to meet their first order for 60 tons of fresh produce to Dubai. Other Afghan vegetable traders are now preparing 30,000 kilogram shipments of red onions on a biweekly basis to Dubai-based airline industry caterers. In February 2007, Afghan traders began shipping high-value gourmet vegetables (e.g. romanesco, baby carrots, radicchio, and Boston red lettuce, among others) to Dubai produce wholesalers.

In southern Afghanistan, ALP assisted the Dried Fruit Exporters Association of Kandahar with the exportation of 42 metric tons of dried fruits and nuts to India and 1,300 metric tons of dried fruit to Ukraine. They also sold 9 metric tons of dried fruit in domestic markets.

MEETING IMMEDIATE ECONOMIC NEEDS

To lay the foundation for comprehensive development, the Alternative Livelihoods Program executes "cash-for-work" programs to provide Afghans with an alternative source of income while building the infrastructure necessary for long-term economic growth. More than \$32 million in cash-for-work salaries have been paid to approximately 360,000 Afghans.

To date, USAID has rehabilitated over 1,000 km. of rural roads, which are lowering transport costs and reducing product losses. Over 4,500 kilometers of rehabilitated irrigation structures have increased water availability – a key requirement for high-value licit crop cultivation - for 235,000 hectares- approximately 3% of Afghanistan's arable land.

SUPPORTING GOVERNMENT INITIATIVES

USAID funding to the Good Performers' Initiative supports economic development initiatives in provinces where there is commitment by provincial Governors and local communities to forgo poppy production and maintain a poppy-free province. In these provinces, USAID will fund publicly-determined assistance projects. Six provinces were awarded Good Performance Funding in 2006 for zero opium cultivation, with another eight qualifying for lesser rewards for less than 1,000 hectares of cultivation.